



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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July 17, 2003

TO: Minerals File
FROM: Tom Munson, Senior Reclamation Hydrologist
RE: Site Inspection, Sliver 3-4, David Penney, S/001/057, Beaver County, Utah

Date of Inspection: 6/19/2003
Time of Inspection: 11:00 a.m.
Conditions: Sunny
Participants: Tom Munson, DOGM

Purpose of Inspection: To inspect the site while in the area.

Observations:

While driving to the site it became apparent that the road to the site had been graded to improve access for semi trucks. The road had not been widened but was graded and made more passable, as it travels up a drainage to the site. When I arrived onsite, I noticed recent mining activity and road building up the backside of the quarry. There was a pioneered road that has been improved to allow better access to the quarry. The actual quarry and pad had been expanded only slightly. No GPS measurements were taken at the time due to the fact that Ed Ginouves of the BLM GPS's this site on a regular basis and supplies us with good maps and accurate acreages.

Conclusions and Recommendations:

Mr. Penney needs to supply us with a notification of a change to his plan regarding the recent road building activity on the backside of the quarry. I will request an updated map and acreage from Ed Ginouves. A 2002 annual report was completed by Mr. Penney but no mention of the road building activity was mentioned.

jb
cc: David Penney, Operator
Ed Ginouves, BLM Cedar City
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ATTACHMENT

Photographs

S/001/057, Sliver 3-4, David Penney

Inspection Dated: 6/19/2003 ; Report Dated: 7/17/2003



Photo 1 - north part of mine site pad and pit



Photo 3 - new road up backside



Photo 2 - Outcrop of Ore Body



Photo 4 - new road up backside



Photo 5 - new road up backside



Photo 6 - new road up backside



Photo 7 - Upper pad looking west



Photo 8 - Where road from backside meets pad



Photo 9 - Active Pit Area



Photo 10 - Road adjacent to pit.